



JUDY CHU, PH.D.

VICE CHAIR • CA STATE BOARD OF EQUALIZATION
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Fourth District — Los Angeles

e-NEWSLETTER

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TAX DEADLINE: TUESDAY, APRIL 17

PICTURE OF THE MONTH

Dear Friend:

Haven't filed your income tax returns yet? Don't worry. This year, taxpayers have until Tuesday, April 17th to file their returns and pay. If you need more time, you can file an extension and have until October 15th. However, if you owe money, you will still have to file before the April 17th deadline. With only a few days left, I want to make sure Californians are aware of some last minute tips that might be helpful and put extra money back in your pocket! I hope the information provided below is useful to you.

Sincerely,

JUDY CHU, Ph.D.

Vice Chair, CA State Board of Equalization



April 4 (Los Angeles): Vice Chair Chu & Maria Elena Durazo, Executive Secretary-Treasurer of the Los Angeles County Federation of Labor commemorate Dr. Martin Luther King's life and show their support for L.A.'s security officers.

MONEY SAVING TIPS FOR TAXPAYERS

Don't miss out on a tax credit or eligible deduction this year! Hard working Californians may qualify to receive thousands of dollars in tax benefits and save money on their personal income tax returns.

Take advantage of the following money saving tips for eligible taxpayers:

Claim the Earned Income Tax Credit (EITC)

Families earning less than \$38,348 in 2006 may qualify to receive up to \$4,536 through the Earned Income Tax Credit. It is a valuable tool to help taxpayers lower their tax liability or claim a refund. Eligibility is based on family size and total income.

Claim the Child Tax Credit (CTC)

Families with a taxable earned income above \$11,300 in 2006 may qualify to receive up to \$1,000 per qualifying child under age 17 through the Child Tax Credit.

Request the Telephone Excise Tax Refund

People who paid the federal excise tax on long-distance telephone service can request a refund on their 2006 income tax returns. Those who are not required to file a return based on their income can still request the refund.

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Taxpayers can request a refund for the actual amount of long-distance excise tax paid from March 1, 2003 through July 31, 2006, or take the standard amount developed by the IRS. The standard amounts are based on the number of exemptions the taxpayer claims: \$30 for a person filing a return with one exemption, \$40 for two exemptions, \$50 for three exemptions, and \$60 for four or more exemptions.

Teacher Deduction

Educators can take a deduction of up to \$250 on out-of-pocket expenses for classroom supplies, books, computer equipment and additional materials.

Higher-Education Deduction

Students who are single and earning less than \$65,000 and married couples earning less than \$130,000 in 2006 can deduct up to \$4,000 for higher education tuition and fees for themselves, a spouse or dependent.

GET YOUR TAX REFUND IN 7-10 DAYS!

The quickest way to receive your refund is to file your tax return electronically. This reduces the amount of paperwork involved, eliminates errors and provides for faster processing. Taxpayers can get their refund in half the time of filing a paper return. It is even faster with Direct Deposit! Those who e-file and select Direct Deposit should receive the refund in their bank account within 7-10 days.

For more information, please visit:

<http://www.irs.gov/efile/index.html>

<http://www.ftb.ca.gov/individuals/efile/allsoftware.html>

FREE TAX ASSISTANCE AVAILABLE

Through the Volunteer Income Tax Assistance (VITA) program, certified volunteers are available throughout California to assist eligible taxpayers in filing a free, online tax return. For the nearest VITA site, call the IRS at (800) 829-1040, FTB at (800) 338-0505 / (800) 852-5711 or visit, <http://www.ftb.ca.gov/individuals/vita/sites.asp>. Seniors can locate the closest AARP Tax Aide site for free tax assistance by calling (888) 227-7669, and Los Angeles County residents can call the LA County Hotline at 211. Some sites are available at a walk-in basis while others require an appointment. Assistance in languages other than English is also available at select locations.

FIVE THINGS WOMEN SHOULD KNOW BEFORE PAYING TAXES

- California is one of 9 community property states. Even if you and your spouse file separate returns you must declare half of your spouse's income on your separate return.
- When you sign a Joint Return with your spouse you are jointly and severally liable for the tax due on that return. This means all the taxes owed on that return can be collected from you alone, even if you knew nothing about your spouse's income.
- There are six different forms of relief available, such as Innocent Spouse Relief.
- Your signature indicates that you accept the facts on the return as correct. If you have any doubts about your spouse's income on your joint tax return, don't sign it. Your spouse cannot file a valid joint return without your consent.
- The only way to protect yourself is to participate in the preparation of your tax returns.

VICE CHAIR CHU HOSTS DOMESTIC PARTNERS TAX SEMINAR

On April 4, 2007, Vice Chair Judy Chu hosted a seminar in West Hollywood on recent changes to tax law affecting registered Domestic Partners. Speakers for this seminar included Carole Ruwart, Tax Counsel for the Board of Equalization, Gregg St. Cyr, JD, from the Law Offices of Conway & St. Cyr, and Steve Sims from the Franchise Tax Board. As a result of SB 1827 which was signed into law last year, Domestic Partners will be required to file



Conway & St. Cyr, and Steve Sims from the Franchise Tax Board. As a result of SB 1827 which was signed into law last year, Domestic Partners will be required to file California tax returns as either "married and filing jointly" or "married and filing separate" beginning on their 2007 tax return that will be filed in 2008. Topics covered at this seminar included new filing requirements and deductions, Prop. 13 and property taxes, and estate planning. Stay tuned for additional Domestic Partner Tax Seminar dates to be announced.



For more information, please visit:

<http://www.boe.ca.gov/proptaxes/pdf/lta05062.pdf>

<http://www.ftb.ca.gov/forms/RegDomPrtnr/RegDomPrtnr.html>

Please contact one of my offices should you feel you need assistance, information on Board of Equalization services, or would like to make a comment.

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